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PP RUEHQU
DE RUEHPU #1417/01 2161349
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FM AMEMBASSY PORT AU PRINCE
TO RUEHC/SECSTATE WASHDC PRIORITY 3700
INFO RUEHZH/HAITI COLLECTIVE PRIORITY
RUEHBR/AMEMBASSY BRASILIA PRIORITY 1166
RUEHSA/AMEMBASSY PRETORIA PRIORITY 1008
RUEHQU/AMCONSUL QUEBEC PRIORITY 0543
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY

UNCLAS SECTION 01 OF 02 PORT AU PRINCE 001417

SIPDIS

SENSITIVE
SIPDIS

STATE FOR WHA/CAR
EB/IFD; EB/BTA
S/CRS
SOUTHCOM ALSO FOR POLAD
STATE PASS TO USAID FOR LAC/CAR
INR/IAA (BEN-YEHUDA)
COMMERCE FOR SCOTT SMITH
TREASURY FOR JEFFERY LEVINE
WHA/EX PLEASE PASS USOAS

E.O. 12958: N/A
TAGS: [ECON](#) [EAID](#) [PGOV](#) [PINS](#) [HA](#)
SUBJECT: IMPASSE AT MALPASSE: HAITIAN-DR BORDER STRIKE
PERSISTS

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¶1. This message is sensitive but unclassified: please protect accordingly

¶2. (SBU) Summary: A transport workers' strike has disrupted commercial traffic and general transit at the Haitian-Dominican border crossing at Malpassee since July 10. Most recently, the workers perpetrated violence on the Haitian side, including burning tires and setting up road blocks made out of tree trunks, which appears to be aimed at stopping all commercial traffic from crossing the border. It is having that effect. The Association of Informal Sector Merchants made a public statement July 31 that the border strike is having a disastrous impact on commercial activities in Haiti. The transport workers claim that the new customs director for Malpassee, Jeantal Clervil, is charging an unacceptable sur-tax and are calling for Clervil's resignation. In fact, during the six months at the border prior to the strike, Clervil simply started enforcing the proper tax. Director General of Customs Edouard Vales Jean-Laurent told econoff August 1 that his job is to tax goods crossing the border. He said by appointing Clervil, he has taken steps to stop contraband and that he and his staff will continue to do their jobs, despite the strike. End summary.

¶3. (U) Malpassee is located between Fonds-Parisien on the Haitian side and Jimani on the Dominican side. It is the most direct route from Santo Domingo to Port-au-Prince. The border remains officially open, however, Haitian immigration officials have reportedly left their posts. Only a small number of local police remain in the area. Ground transit has decreased greatly but has not been halted. Passenger flights between the two countries have increased as a consequence.

¶4. (SBU) The transport workers claim that customs director for Malpassee Jeantal Clervil is charging an unacceptable sur-tax and are calling for Clervil's resignation. Clervil denies the accusations, blaming the strikers for harming the

Haitian economy. The Director General of Customs, Edouard Vales Jean-Laurent, whom the Preval government retained, appointed Clervil in December. Since Clervil has assumed his post at Malpasse, customs revenues have risen by 400 to 500 percent, because he is enforcing, and handing over to the state, import taxes. Before Clervil's appointment, the Malpasse border revenue averaged ten to fifteen million Haitian gourdes (about USD 250 to 380) per month. The revenue reports for June, the most recent month before the strike, show Malpasse customs revenue at about Haitian gourdes 60 million (USD 1550) in revenue. (Note: The Customs DG and post's political assistant report Clervil to be an honest and reliable employee. He has worked with customs for years and prior to this appointment worked in the customs' surveillance unit to watch over corruption and contraband. He has participated in several U.S.-sponsored training programs. End note.)

15. (SBU) Laurent told econoff August 1 that his job is to tax goods crossing the border and that he has taken steps to stop contraband from crossing through Malpasse. He said that before the importers paid "whatever they wanted" to customs officials, but now they are being forced to pay the appropriate tax. He said that Clervil, along with two other customs' employees, goes to work every day without hassle from the transport workers, despite the strikers' call for his resignation. Laurent stressed that he and Clervil will continue to do their jobs, and that at this point, there is no change in policy. He also said that there is no increase in security planned for Malpasse.

16. (U) The border disruption is having a grave effect on certain sectors in Haiti. The local press reported two deaths due to lack of medication that is generally delivered from the Dominican Republic. The Association of Informal Sector Merchants made a public statement July 31 that the

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border strike is having a disastrous impact on commercial activities. The press reported August 3 that government revenue suffered a loss of Haitian gourdes 125 million; post suspects the number to be closer to Haitian gourdes 50 million based on the DG's estimate of monthly revenues. (Note: Many commercial goods are smuggled across the border from the Dominican Republic and sold in both informal and formal markets in Haiti. End note.)

17. (SBU) Comment: What the media is calling a transport workers' strike is widely understood by Haitians to be a smugglers' strike, though a segment of the local population also broadly benefits from lax customs controls and presumably supports the transport workers. Prior to the strike, econoff discussed regulating customs procedures at the border and in the ports in various discussions with GOH officials, and they unanimously expressed concern over the potential for a violent reaction by local populations: their concerns have been borne out.

18. (SBU) Comment continued: The GOH and Haitian elites are more concerned for the moment with the problem of gang violence and the renewed surge in kidnapping in Port-au-Prince. However, the disorder at Malpasse reflects the serious challenges the GOH faces in strengthening its institutional presence: resistance by extra-legal and criminal actors to government attempts to establish basic governmental functions throughout the country.
SANDERSON